

**FISCAL NOTE**  
**SB 413 - HB 745**

February 26, 2001

**SUMMARY OF BILL:** Increases the maximum weekly unemployment insurance benefit amount paid from \$255 to \$270 in July 2001 and to \$285 in July 2002. Bill also changes from \$26 increments to \$25 increments for weekly benefit amounts of \$257 and above. Each increment results in a \$1.00 increase in the weekly benefit amount paid to the claimant.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact:**

**Increase Expenditures - Unemployment Insurance Trust Fund -**

**\$1.9 Million Calendar Year 2001**

**\$8.6 Million Calendar Year 2002**

**\$12.3 Million Calendar Year 2003**

**Decrease Revenues - Unemployment Insurance Trust Fund -**

**\$10,000 Calendar Year 2001**

**\$300,000 Calendar Year 2002**

**\$1.1 Million Calendar Year 2003**

**Increase Local Govt. Expenditures - Exceeds \$100,000**

Estimate assumes:

- Increased expenditures to the Unemployment Insurance Trust Fund will result from increased benefits paid to claimants.
- A decrease in revenue from reduced interest earnings on the Unemployment Insurance Trust Fund.
- Increased local government expenditures from an increase in the amount of potential benefits paid to their former employees. Most local governments opt to reimburse the department for benefits as opposed to paying premiums.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director